

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6750

BILL NUMBER: SB 652

DATE PREPARED: Jan 15, 1999

BILL AMENDED:

SUBJECT: Free tuition for children of state employees.

FISCAL ANALYST: Mark Goodpaster

PHONE NUMBER: 232-9852

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: This bill permits children of full-time state employees, other than a child of a member of the General Assembly, to be reimbursed for tuition expenses for college level courses offered by state supported Indiana educational institutions. It requires the State Personnel Department to adopt rules and interim written guidelines to administer the tuition expense reimbursement program.

Effective Date: Upon passage.

Explanation of State Expenditures: Passage of this bill would likely to increase the costs to the state General Fund by an estimated \$2.3 million. The specific amount will depend on the number of students who would be in the age group which attend college and the number of students who would actually attend. To project the costs associated with this bill, this analysis estimates the number of persons who would be in this age group, the average costs incurred for each eligible student, and the total costs related to the number of students who might participate.

Estimating the Number of Children of State Employees: The Department of Personnel reports that 25,025 state employees have family health plans covering 71,354 lives. The number of dependents (the difference between the lives covered and the state employees) is 46,329. Of these dependents, it is assumed that 80% will be children of the employees while 20% will be spouses. Based on this estimate, roughly 37,000 of the dependents will be children of the state employees.

Estimating the Number of College Students: Based on Census Bureau reports on the age distribution, 23% of the population between 0 and 21 will be between the ages of 18 and 21. Based on these distributions, the projected number of persons who are children of state employees in the 18 to 21 age range is 3,931. To estimate the number of persons who might attend college, Census Bureau statistics that report the national percentage of individuals in the age group between 18 and 23 who are enrolled in undergraduate college were used. Based on these statistics, the number of persons who might be enrolled in college is 1,716.

Estimating the Number of College Students Enrolled in State Universities: The Commission on Higher Education estimates that 86% of all college bound high school graduates in Indiana remain in Indiana and that 89% of these students enroll in public universities. Based on these statistics, 1,314 students will be attending a public university.

Estimating Financial Need: Based on SSACI data, it is estimated that 52% of the 1,314 students will receive some type of SSACI aid at an average award of \$1,340. The cost of the tuition supplement for these students will be the difference between the tuition and the amount of the SSACI award. The students who do not qualify for the SSACI award will receive the full tuition scholarship.

Total Estimated Costs: It is assumed that 75% of the students who are enrolled will have a “B” average. Based on these assumptions, the following table shows potential costs associated with this bill.

<u>Students Who:</u>	<u># of</u> <u>Students</u>		<u>est % w/</u> <u>"B" Avg.</u>		<u>Avg</u> <u>Tuition</u>	<u>SSACI</u> <u>Aid</u>	<u>Total Costs</u>
Receive SSACI aid	683	x	75%	x (\$3,093	- \$1,338) =	\$867,120
Do not receive SSACI aid	<u>630</u>	x	75%	x (\$3,093	- \$0) =	<u>\$1,462,475</u>
Total	<u>1,313</u>						<u>\$2,329,595</u>

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Personnel, State Student Assistance Commission.

Local Agencies Affected:

Information Sources: Margaret Mayer, Department of Personnel, Nick Vesper, State Student Assistance Commission, US Bureau of Census, Commission on Higher Education.